

Committee on Ways and Means

Democrats Putting Politics Before Seniors

Democrats Continue their “Mediscare” Campaign by Distorting the Truth

Democrats are trying to scare seniors by intentionally misleading them about the number of Medicare beneficiaries that will be affected by the coverage gap.

- Democrats are using an outdated Kaiser Family Foundation (KFF) study that hypothetically claims 6.9 million beneficiaries will hit the coverage gap this year.
- This study was conducted in 2004, long before actual Medicare drug plan information was released and long before seniors began signing up for Part D.
- This study assumed beneficiaries would enroll in the “standard benefit.” This year’s evidence shows that beneficiaries selected drug plans that best met their needs, and nearly 90 percent of the plans they chose were not the “standard benefit.”

This study was simply KFF’s best guess at the time, but it is no longer relevant.

- In 2004, KFF did not know what type of drug coverage would be available to seniors in 2006.
- In 2004, KFF did not know that every senior in every State would have the option of choosing from at least four Medicare prescription drug plans that do not have a coverage gap in 2006. In fact, 2.4 million beneficiaries chose this type of plan this year.

Democrats refuse to cite a study that incorporates reality in predicting the number of beneficiaries who will be affected by the coverage gap.

- A PricewaterhouseCoopers (PwC) study released in June estimates that 3.4 million Medicare beneficiaries will be fully responsible for expenditures in the gap this year. This number is actually even lower since PwC did not account for State Pharmacy Assistance Programs, which many states use to fill in the coverage gap.
- The PwC study uses real world drug plan information with real world enrollment numbers. It relies on evidence, rather than suppositions.
- It is important to keep in mind that seniors in the coverage gap will still receive discounted prescription drug prices because Congress required that drug plans continue to pass on these discounts. Seniors would be paying full retail at their local pharmacy without Part D.
- The Democrats hope that by ignoring real world evidence and intentionally doubling the number affected by the coverage gap they can scare seniors into believing the sky is falling.

Are Democrats truly concerned about our seniors or are they simply playing politics?

- The Democrats so-called “plan” to fill in the coverage gap would increase senior’s premiums and program costs by \$450 billion over 10 years.